

AIR QUALITY PERMIT

Issued To: Kootenai Paving and Construction Inc.
P.O. Box 1525
Libby, Montana 59923

Permit #3099-02
Administrative Amendment (AA) Request
Received: 1/19/06
Department Decision on AA: 3/27/06
Permit Final: 4/12/06
AFS #: 777-3099

An air quality permit, with conditions, is hereby granted to Kootenai Paving and Construction Inc. (Kootenai), pursuant to Section 75-2-204 and 211 of the Montana Code Annotated (MCA), as amended, and Administrative Rules of Montana (ARM) 17.8.701 *et seq.*, as amended, for the following:

Section I: Permitted Facilities

A. Plant Location

Kootenai operates a portable drum mix asphalt plant and associated equipment at various locations throughout the State of Montana. Permit #3099-01 applies while operating in any location within the State of Montana, except within those areas having a Department of Environmental Quality (Department) approved permitting program. *A Missoula County air quality permit will be required for all locations within Missoula County, Montana.*

Addendum #2 applies to the Kootenai facility while operating at any location in or within 10 kilometers (km) of certain particulate matter with an aerodynamic diameter of 10 microns or less (PM10) nonattainment areas during the summer months (April 1 – September 30) and at sites approved by the Department during the winter months (October 1 – March 31), including the initial site location, Section 34, Township 31 North, Range 31 West, in Lincoln County, Montana. A complete list of the permitted equipment is included in Section I.A of the permit analysis.

B. Current Permit Action

On January 19, 2006, the Department received notification that Kootenai Paving, LLC has changed the corporate name to Kootenai. The current permit action will change the corporate name and update the permit to reflect current permit format, language, and rule references used by the Department.

Section II: Conditions and Limitations

A. Emission Limitations

1. Asphalt plant particulate matter emissions shall be limited to 0.04 gr/dscf (ARM 17.8.340 and 40 CFR 60, Subpart I).
2. Kootenai shall not cause or authorize to be discharged into the atmosphere from the asphalt plant stack any visible emissions that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.340 and 40 CFR 60, Subpart I).
3. Kootenai shall not cause or authorize to be discharged into the atmosphere from systems for screening, handling, storing, and weighing hot aggregate; systems for loading, transferring, and storing mineral filler; systems for mixing hot mix asphalt; and the loading, transfer, and storage systems associated with emission control systems, any visible emissions that exhibit opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.340 and 40 CFR 60, Subpart I).
4. Kootenai shall not cause or authorize the use of any street, road, or parking lot, without taking reasonable precautions to control emissions of airborne particulate matter (ARM 17.8.308).

5. Kootenai shall treat all unpaved portions of the haul roads, access roads, parking lots, or the general plant area with water and/or chemical dust suppressant as necessary to maintain compliance with the reasonable precautions limitation in Section II.A.4 (ARM 17.8.749).
6. A device to measure the pressure drop (magnehelic gauge, manometer, etc.) on the control device (baghouse) must be installed and maintained. Pressure drop must be measured in inches of water. Temperature indicators at the control device inlet and outlet must be installed and maintained (ARM 17.8.749).
7. Total asphalt plant production shall be limited to 788,400 tons during any rolling 12-month time period (ARM 17.8.749).
8. Once a stack test is performed, the asphalt production rate shall be limited to the average production rate during the last source test demonstrating compliance (ARM 17.8.749).
9. If the permitted equipment is used in conjunction with any other equipment owned or operated by Kootenai, at the same site, production shall be limited to correspond with an emission level that does not exceed 250 tons during any rolling 12 month time period. Any calculations used to establish production levels shall be approved by the Department (ARM 17.8.749).
10. Kootenai shall comply with all applicable standards and limitations and the reporting, recordkeeping, and notification requirements contained in 40 CFR Part 60 Subpart I, as it applies to this asphalt operation (ARM 17.8.340 and 40 CFR 60, Subpart I).

B. Testing Requirements

1. An EPA Methods 1-5 and 9 source test must be performed on the asphalt plant every 4 years after the initial source test has been completed or according to another testing/monitoring schedule as may be approved by the Department to demonstrate compliance with Section II.A.1, II.A.2, and II.A.3. (ARM 17.8.106 and ARM 17.8.749).
2. Pressure drop and temperature must be recorded during the test and reported as part of the test results (ARM 17.8.749).
3. All compliance source tests must be conducted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).
4. Since asphalt production will be limited to the average production rate during the test, it is suggested the test be performed at the highest production rate practical (ARM 17.8.749).
5. The Department may require further testing (ARM 17.8.106).

C. Operational Reporting Requirements

1. If the asphalt plant is moved to another location, Intent to Transfer form must be sent to the Department. In addition, a Public Notice Form for Change of Location must be published in a newspaper of general circulation in the area where the transfer is to be made, at least 15 days prior to the move. The Intent to Transfer form and the proof of publication (affidavit) of the Public Notice Form for Change of Location must be submitted to the Department prior to the move. These forms are available from the Department (ARM 17.8.734).

2. Kootenai shall maintain on-site records showing daily hours of operation and daily production rates for the last 12-months. The records compiled in accordance with this permit shall be maintained by Kootenai as a permanent business record for at least 5 years following the date of the measurement, shall be available for inspection by the Department, and shall be submitted to the Department upon request (ARM 17.8.749).
3. Kootenai shall document, by month, the total asphalt production from the facility. By the 25th day of each month, Kootenai shall calculate the crushing production from the facility for the previous month. The monthly information will be used to verify compliance with the rolling 12-month limitation in Section II.A.7. The information for each of the previous months shall be submitted along with the annual emission inventory (ARM 17.8.749).
4. Kootenai shall supply the Department with annual production information for all emission points, as required by the Department in the emission inventory request. The request will include, but is not limited to, all sources of emissions identified in the most recent emission inventory report and sources identified in Section I.A of the permit analysis.

Production information shall be gathered on a calendar year basis and submitted to the Department by the date required in the emission inventory request. Information shall be in the units required by the Department (ARM 17.8.505).

5. Kootenai shall notify the Department of any construction or improvement project conducted pursuant to ARM 17.8.745 that would include a change in control equipment, stack height, stack diameter, stack flow, stack gas temperature, source location, or fuel specifications, or would result in an increase in source capacity above its permitted operation or the addition of a new emission unit. The notice must be submitted to the Department, in writing, 10 days prior to start up or use of the proposed de minimis change, or as soon as reasonably practicable in the event of an unanticipated circumstance causing the de minimis change, and must include the information requested in ARM 17.8.745(1)(d) (ARM 17.8.745).

Section III: General Conditions

- A. Inspection – Kootenai shall allow the Department's representatives access to the source at all reasonable times for the purpose of making inspections or surveys, collecting samples, obtaining data, auditing any monitoring equipment (CEMS, CERMS) or observing any monitoring or testing, and otherwise conducting all necessary functions related to this permit.
- B. Waiver – The permit and all the terms, conditions, and matters stated herein shall be deemed accepted if Kootenai fails to appeal as indicated below.
- C. Compliance with Statutes and Regulations – Nothing in this permit shall be construed as relieving Kootenai of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided for in ARM 17.8.740, et seq. (ARM 17.8.756)
- D. Enforcement – Violations of limitations, conditions and requirements contained herein may constitute grounds for permit revocation, penalties or other enforcement as specified in Section 75-2-401, et seq., MCA.
- E. Appeals – Any person or persons jointly or severally adversely affected by the Department's decision may request, within 15 days after the Department renders its decision, upon affidavit setting forth the grounds therefore, a hearing before the Board of Environmental Review (Board). A hearing shall be held under the provisions of the Montana Administrative

Procedures Act. The filing of a request for a hearing does not stay the Department's decision, unless the Board issues a stay upon receipt of a petition and a finding that a stay is appropriate under Section 75-2-211(11)(b), MCA. The issuance of a stay on a permit by the Board postpones the effective date of the Department's decision until conclusion of the hearing and issuance of a final decision by the Board. If a stay is not issued by the Board, the Department's decision on the application is final 16 days after the Department's decision is made.

- F. Permit Inspection – As required by ARM 17.8.755, Inspection of Permit, a copy of the air quality permit shall be made available for inspection by Department personnel at the location of the permitted source.
- G. Permit Fee – Pursuant to Section 75-2-220, MCA, as amended by the 1991 Legislature, failure to pay the annual operation fee by Kootenai may be grounds for revocation of this permit, as required by that section and rules adopted there under by the Board.
- H. Construction Commencement – Construction must be begin within 3 years of permit issuance and proceed with due diligence until the project is complete or the permit shall be revoked (ARM 17.8.762).
- I. The Department may modify the conditions of this permit based on local conditions of any future site. These factors may include, but are not limited to, local terrain, meteorological conditions, proximity to residences, etc.
- J. Kootenai shall comply with the conditions contained in this permit while operating in any location in Montana, except within those areas that have a Department-approved permitting program.

PERMIT ANALYSIS
Kootenai Paving and Construction Inc.
Permit Number #3099-02

I. Introduction/Process Description

A. Permitted Equipment:

Kootenai Paving and Construction Inc. (Kootenai) operates a portable 1983 Aedco drum mix asphalt plant (maximum capacity 200 TPH) with an attached 1983 Barber Green Baghouse, a 1948 Diesel generator (250 KW), and associated equipment.

B. Source Description:

Kootenai uses this asphalt plant and associated equipment to produce asphalt for use in construction, repair, and maintenance of roads and highways.

At the start of the asphalt production process, aggregate and sand materials are loaded into a feeder. The appropriate amount of material is continuously conveyed from the feeder to the drum dryer. Within the drum dryer, the aggregate is heated and mixed with a controlled amount of hot asphalt product to produce a specific grade of asphalt. After the mixing has occurred in the drum dryer, it is conveyed to an unheated storage silo and loaded into trucks for delivery to the site. A Barber Green Baghouse is used to control the particulate emissions from the drum dryer.

C. Permit History

On October 1, 2000, Kootenai was issued **Permit #3099-00** with **Addendum 1** for the operation of a portable 1983 Aedco drum mix asphalt, with an attached 1983 Barber Green Baghouse, a 1948 Diesel generator, and associated equipment.

On July 27, 2001, Kootenai requested that Permit #3099-00 be modified and Addendum 1 be renewed to allow the permitted facility to operate at Section 34, Township 31 North, Range 31 West, in Lincoln County, Montana. Because this location is in or within Libby 10 Km of the PM-10 Nonattainment area (NAA), SCREEN VIEW modeling was conducted to establish site specific conditions to demonstrate compliance with ambient standards. **Permit #3099-01** replaced Permit #3099-00.

D. Current Permit Action

On January 19, 2006, the Department of Environmental Quality (Department) received notification that Kootenai Paving LLC has changed the corporate name to Kootenai. The current permit action will change the corporate name and update the permit to reflect current permit language and rule references used by the Department. **Permits #3099-02** will replace Permit #3099-01.

E. Additional Information

Additional information, such as applicable rules and regulations, Best Available Control Technology (BACT)/Reasonably Available Control Technology (RACT) determinations, air quality impacts, and environmental assessments, is included in the permit analysis associated with each change to the permit.

II. Applicable Rules and Regulations

The following are partial quotations of some applicable rules and regulations that apply to the facility. The complete rules are stated in the Administrative Rules of Montana (ARM) and are available, upon request, from the Department. Upon request, the Department will provide references for locations of complete copies of all applicable rules and regulations or copies where appropriate.

A. ARM 17.8, Sub-Chapter 1, General Provisions, including, but not limited to:

1. ARM 17.8.101 Definitions. This rule is a list of applicable definitions used in this sub-chapter, unless indicated otherwise in a specific sub-chapter.
2. ARM 17.8.105 Testing Requirements. Any person or persons responsible for the emission of any air contaminant into the outdoor atmosphere shall, upon written request of the Department, provide the facilities and necessary equipment (including instruments and sensing devices) and shall conduct tests, emission or ambient, for such periods of time as may be necessary using methods approved by the Department.
3. ARM 17.8.106 Source Testing Protocol. The requirements of this rule apply to any emission source testing conducted by the Department, any source, or other entity as required by any rule in this chapter, or any permit or order issued pursuant to this chapter, or the provisions of the Clean Air Act of Montana, 75-2-101, *et seq.*, Montana Code Annotated (MCA).

Kootenai shall comply with all requirements contained in the Montana Source Test Protocol and Procedures Manual, including, but not limited to using the proper test methods and supplying the required reports. A copy of the Montana Source Test Protocol and Procedures Manual is available from the Department upon request.

4. ARM 17.8.110 Malfunctions. The Department must be notified promptly by telephone whenever a malfunction occurs that can be expected to create emissions in excess of any applicable emission limitation, or to continue for a period greater than 4 hours.
5. ARM 17.8.111 Circumvention. No person shall cause or permit the installation or use of any device or any means which, without resulting in reduction in the total amount of air contaminant emitted, conceals or dilutes an emission of air contaminant which would otherwise violate an air pollution control regulation. No equipment that may produce emissions shall be operated or maintained in such a manner that a public nuisance is created.

B. ARM 17.8, Sub-Chapter 2, Ambient Air Quality, including, but not limited to:

1. ARM 17.8.210 Ambient Air Quality Standards for Sulfur Dioxide
2. ARM 17.8.211 Ambient Air Quality Standards for Nitrogen Dioxide
3. ARM 17.8.212 Ambient Air Quality Standards for Carbon Monoxide
4. ARM 17.8.220 Ambient Air Quality Standard for Settled Particulate Matter
5. ARM 17.8.223 Ambient Air Quality Standard for PM-10

Kootenai must comply with the applicable ambient air quality standards.

- C. ARM 17.8, Sub-Chapter 3, Emission Standards, including, but not limited to:
1. ARM 17.8.304 Visible Air Contaminants. This rule requires that no person may cause or authorize emissions to be discharged to an outdoor atmosphere from any source installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes.
 2. ARM 17.8.308 Particulate Matter Airborne. Under this section, Kootenai shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter.
 3. ARM 17.8.340 Standard of Performance for New Stationary Sources. The owner and operator of any stationary source, as defined and applied in 40 CFR Part 60, shall comply with the standards and provisions of 40 CFR Part 60. Based on the information submitted by Kootenai, the portable asphalt plant and associated equipment is an NSPS (40 CFR Part 60, Subpart A General Provisions, and Subpart I, Standards of Performance of Hot Mix Asphalt Facilities) affected source.
- D. ARM 17.8, Sub-Chapter 5, Air Quality Permit Application, Operation and Open Burning Fees, including, but not limited to:
1. ARM 17.8.504 Air Quality Permit Application Fees. Kootenai shall submit an air quality permit application fee concurrent with the submittal of an air quality permit application. A permit application is incomplete until the proper application fee is paid to the Department. Kootenai was not required to submit a fee for the current permitting action because the action is a modification.
 2. ARM 17.8.505 Air Quality Operation Fees. An annual air quality operation fee must, as a condition of continued operation, be submitted to the Department by each source of air contaminants holding an air quality permit, excluding an open burning permit, issued by the Department. This operation fee is based on the actual or estimated actual amount of air pollutants emitted during the previous calendar year.

An air quality operation fee is separate and distinct from an air quality permit application fee. The annual assessment and collection of the air quality operation fee, described above, shall take place on a calendar year basis. The Department may insert into any final permit issued after the effective date of these rules, such conditions as may be necessary to require the payment of an air quality operation fee on a calendar year basis, including provisions which pro-rate the required fee amount.
- E. ARM 17.8, Subchapter 7 – Permit, Construction, and Operation of Air Contaminant Sources, including, but not limited to:
1. ARM 17.8.740 Definitions. This rule is a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.
 2. ARM 17.8.743 Montana Air Quality Permits--When Required. This rule requires a person to obtain an air quality permit or permit alteration to construct, alter, or use any asphalt plant, crusher or screen that has the potential to emit (PTE) greater than 15 tons per year of any pollutant. Kootenai has a PTE greater than 15 tons per year of total particulate matter (PM), PM10, oxides of nitrogen (NOx), volatile organic compounds (VOC), carbon monoxide (CO), and oxides of sulfur (SO_x); therefore, a permit is required.
 3. ARM 17.8.744 Montana Air Quality Permits--General Exclusions. This rule identifies the activities that are not subject to the Montana Air Quality Permit program.

4. ARM 17.8.745 Montana Air Quality Permits--Exclusion for De Minimis Changes. This rule identifies the de minimis changes at permitted facilities that do not require a permit under the Montana Air Quality Permit Program.
5. ARM 17.8.748 New or Modified Emitting Units--Permit Application Requirements. (1) This rule requires that a permit application be submitted prior to installation, alteration, or use of a source. A permit application was not required for the current permit action because the permit change is considered an administrative permit change. (7) This rule requires that the applicant notify the public by means of legal publication in a newspaper of general circulation in the area affected by the application for a permit. An affidavit of publication of public notice was not required for the current permit action because the permit change is considered an administrative permit change.
6. ARM 17.8.749 Conditions for Issuance or Denial of Permit. This rule requires that the permits issued by the Department must authorize the construction and operation of the facility or emitting unit subject to the conditions in the permit and the requirements of this subchapter. This rule also requires that the permit must contain any conditions necessary to assure compliance with the Federal Clean Air Act (FCAA), the Clean Air Act of Montana, and rules adopted under those acts.
7. ARM 17.8.752 Emission Control Requirements. This rule requires a source to install the maximum air pollution control capability that is technically practicable and economically feasible, except that BACT shall be utilized. The required BACT analysis is included in Section III of this permit analysis.
8. ARM 17.8.755 Inspection of Permit. This rule requires that air quality permits shall be made available for inspection by the Department at the location of the source.
9. ARM 17.8.756 Compliance with Other Requirements. This rule states that nothing in the permit shall be construed as relieving Kootenai of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq.*
10. ARM 17.8.759 Review of Permit Applications. This rule describes the Department's responsibilities for processing permit applications and making permit decisions on those permit applications that do not require the preparation of an environmental impact statement.
11. ARM 17.8.762 Duration of Permit. An air quality permit shall be valid until revoked or modified, as provided in this subchapter, except that a permit issued prior to construction of a new or altered source may contain a condition providing that the permit will expire unless construction is commenced within the time specified in the permit, which in no event may be less than 1 year after the permit is issued.
12. ARM 17.8.763 Revocation of Permit. An air quality permit may be revoked upon written request of the permittee, or for violations of any requirement of the Clean Air Act of Montana, rules adopted under the Clean Air Act of Montana, the FCAA, rules adopted under the FCAA, or any applicable requirement contained in the Montana State Implementation Plan (SIP).

13. ARM 17.8.764 Administrative Amendment to Permit. An air quality permit may be amended for changes in any applicable rules and standards adopted by the Board of Environmental Review (Board) or changed conditions of operation at a source or stack that do not result in an increase of emissions as a result of those changed conditions. The owner or operator of a facility may not increase the facility's emissions beyond permit limits unless the increase meets the criteria in ARM 17.8.745 for a de minimis change not requiring a permit, or unless the owner or operator applies for and receives another permit in accordance with ARM 17.8.748, ARM 17.8.749, ARM 17.8.752, ARM 17.8.755, and ARM 17.8.756, and with all applicable requirements in ARM Title 17, Chapter 8, Subchapters 8, 9, and 10.
14. ARM 17.8.765 Transfer of Permit. (1) This rule states that an air quality permit may be transferred from one location to another if the Department receives a complete notice of intent to transfer location, the facility will operate in the new location for less than 1 year, the facility will comply with the FCAA and the Clean Air Act of Montana, and the facility complies with other applicable rules. (2) This rule states that an air quality permit may be transferred from one person to another if written notice of intent to transfer, including the names of the transferor and the transferee, is sent to the Department.

F. ARM 17.8, Sub-Chapter 8, Prevention of Significant Deterioration of Air Quality, including, but not limited to:

1. ARM 17.8.801 Definitions. This rule is a list of applicable definitions used in this sub-chapter.
2. ARM 17.8.818 Review of Major Stationary Sources and Major Modification--Source Applicability and Exemptions. The requirements contained in ARM 17.8.819 through ARM 17.8.827 shall apply to any major stationary source and any major modification with respect to each pollutant subject to regulation under the FCAA that it would emit, except as this sub-chapter would otherwise allow.

This facility is not a major stationary source because it is not listed and does not have the potential to emit 250 tons per year or more (excluding fugitive emissions) of any air pollutant.

G. ARM 17.8, Sub-chapter 12, Operating Permit Program Applicability, including, but not limited to:

1. ARM 17.8.1201 Definitions. (23) Major Source under Section 7412 of the FCAA is defined as any stationary source having:
 - a. Potential to Emit PTE > 100 ton/year of any pollutant.
 - b. PTE > 10 ton/year of any one Hazardous Air Pollutant (HAP), PTE > 25 ton/year of a combination of all HAPs, or lesser quantity as the Department may establish by rule.
 - c. Sources with the PTE > 70 ton/year of PM-10 in a serious PM-10 nonattainment area.

2. ARM 17.8.1204 Air Quality Operating Permit Program Applicability.

Title V of the FCAA Amendments of 1990 requires that all sources, as defined in ARM 17.8.1204 (1), obtain a Title V Operating Permit. In reviewing and issuing Air Quality Permit #3099-01 for Kootenai, the following conclusions were made:

- a. The facility's PTE is less than 100 ton/year for all criteria pollutants.
- b. The facility's PTE is less than 10 ton/year of any one HAP and less than 25 ton/year of all HAPs.
- c. This source is not located in a serious PM-10 nonattainment area.
- d. This source is subject to a current NSPS.
- e. This facility is not subject to any current NESHAP standards.
- f. This source is not a Title IV affected source nor a solid waste combustion unit.
- g. This source is not an EPA designated Title V source.

Kootenai is not subject to Title V Operating Permit requirements. However, if minor sources subject to NSPS are required to obtain a Title V Operating Permit, Kootenai will be required to obtain an Operating Permit.

III. BACT Analysis

A BACT determination is required for any new or altered source. Kootenai shall install on the new or altered source the maximum air pollution control capability which is technically practicable and economically feasible, except that BACT shall be utilized. A BACT determination was not required for the current permit action because the permit change is considered an administrative permit change.

IV. Emission Inventory

Source	ton/year					
	PM	PM-10	NO _x	VOC	CO	SO _x
Asphalt Drum Mix Plant with Baghouse (natural gas fired)	33.93	16.97	11.83	20.10	22.08	1.30
Cold Aggregate Handling	19.71	15.77				
Detroit Diesel Generator (250 kw)	3.23	3.23	45.52	3.63	9.81	3.01
Asphalt Heater (natural gas fired)			11.83	10.25	22.08	1.30
Pile Forming	1.66	1.21				
Haul Roads	2.74	1.23				
Total	61.27	38.41	69.18	33.98	53.97	5.61

* A complete emission inventory for Permit #3099-02 is on file with the Department.

V. Existing Air Quality

Permit #3099-02 is issued for the operation of a portable crushing/screening facility to operate at various locations throughout Montana. This facility would be allowed to operate at any area designated as attainment or unclassified for all National Ambient Air Quality Standards (NAAQS); excluding those counties that have a Department approved permitting program, those areas considered tribal lands, or those areas in or within 10 km of certain PM₁₀ nonattainment areas. *A Missoula County air quality permit would be required for locations within Missoula County, Montana.* Addendum #2 of Permit #3099-02 would cover this portable crushing/screening plant while operating at Section 34, Township 31 North, Range 31 West, in Lincoln County, Montana. Addendum #2 of Permit #3099-02 would also allow for summertime operations (April 1 – September 30) at any location within 10 kilometers of certain PM-10 nonattainment areas, including, but not limited to Libby, Thompson Falls, Kalispell, Whitefish, Columbia Falls, and Butte.

VI. Air Quality Impacts

Permit #3099-02 is for a drum mix asphalt plant, to be initially located in Section 34, Township 31 North, Range 31 West, in Lincoln County, Montana. The Department believes that the amount of controlled particulate emissions generated by this project will not cause concentrations of air pollutants in the ambient air that will exceed any set standard. Permit #3099-02 applies while operating in any location within the State of Montana, except within those areas having a Department approved permitting program. *A Missoula County air quality permit will be required for all locations within Missoula County, Montana.* In addition, Addendum 2 to Permit #3099-02 contains more stringent limitations for plant operations at proposed locations in or within 10 km of PM-10 nonattainment areas.

VII. Taking or Damaging Implication Analysis

As required by 2-10-101 through 105, MCA, the Department conducted a private property taking and damaging assessment and determined there are no taking or damaging implications.

VIII. Environmental Assessment

This permitting action will not result in an increase of emissions from the facility and is considered an administrative action; therefore, an environmental assessment is not required.

Addendum 2
Kootenai Paving and Construction Inc.
Permit #3099-02

An addendum to air quality Permit #3099-02 is issued to Kootenai Paving and Construction Inc. (Kootenai) pursuant to Section 75-2-204 and 75-2-211 of the Montana Code Annotated (MCA), as amended, and Administrative Rules of Montana (ARM) 17.8.734, as amended, for the following:

I. Permitted Equipment

On August 24, 2001, Addendum #2 to Permit #3099-02 was issued to Kootenai Paving, LLC for the operation of a portable 1983 Aedco Drum Mix Asphalt Plant with a Barber Green Baghouse, 250 KW generator, and associated equipment, in or within 10 km of the following PM₁₀ nonattainment areas: *Libby, Thompson Falls, Kalispell, Whitefish, Columbia Falls, and Butte.*

II. Seasonal and Site Restrictions

Addendum #2 applies to the JTL facility while operating at any location in or within 10 km of certain PM₁₀ nonattainment areas. Additionally, seasonal and site restrictions apply to the facility as follows:

- A. During the winter season (October 1-March 31) – The only location(s) in or within 10 km of certain PM₁₀ nonattainment area where JTL may operate is:
- Section 34, Township 31 North, Range 31 West;
 - Any other site that may be approved, in writing, by the Department of Environmental Quality (Department).
- B. During the summer season (April 1-September 30) – Kootenai may operate at any location within 10 kilometers of certain PM-10 nonattainment areas, including, but not limited to Libby, Thompson Falls, Kalispell, Whitefish, Columbia Falls, and Butte.
- C. Kootenai shall comply with the limitations and conditions contained in Addendum #2 to Permit #3099-02 while operating in or within 10 km of any of the previously listed PM₁₀ nonattainment areas. Addendum # 2 shall be valid until revoked or modified. The Department reserves the authority to modify Addendum # 2 at any time based on local conditions of any future site. These conditions may include, but are not limited to, local terrain, meteorological conditions, proximity to residences or other businesses, etc.

III. Limitations and Conditions

A. Operational

1. Asphalt plant particulate matter emissions shall be limited to 0.04 gr/dscf (ARM 17.8.340, ARM 17.8.752, and 40 CFR 60, Subpart I).
2. Kootenai shall not cause or authorize emissions to be discharged from the asphalt plant stack that exhibit an opacity of 10% or greater (ARM 17.8.749).
3. Kootenai shall not cause or authorize to be discharged into the atmosphere from systems for screening, handling, storing, and weighing hot aggregate; systems for loading, transferring, and storing mineral filler; systems for mixing hot mix asphalt; or the loading, transfer, and storage systems associated with emission control systems, any visible emissions that exhibit an opacity of 10% or greater (ARM 17.8.749).

4. Kootenai shall treat all unpaved portions of the access roads, parking lots, and general plant area with water and/or chemical dust suppressant as necessary to maintain compliance with the 10% opacity limitation (ARM 17.8.749).
5. Asphalt plant production shall be limited to 900 tons during any rolling 24-hour time period (ARM 17.8.749).

B. Reporting Requirements

1. Kootenai shall provide the Department with written notification of job completion within 10 working days of job completion (ARM 17.8.749).
2. Kootenai shall provide written notice of relocation of the permitted equipment at least 15 days prior to the physical transfer of equipment (ARM 17.8.765).
3. Production information for the site(s) covered by this addendum shall be submitted to the Department within 30 days of completion of the project or expiration of Addendum 2. The information shall include (ARM 17.8.749):
 - a) Tons of asphalt produced.
 - b) Hours of operation.
 - c) Type and amount of fuel used for the plant.
 - d) Fugitive dust information consisting of a listing of all plant vehicles, including the following for each vehicle type:
 - i.) Number of vehicles
 - ii.) Vehicle type
 - iii.) Average vehicle weight
 - iv.) Number of tires on vehicle
 - v.) Annual on site vehicle miles traveled
 - vi.) Average on site vehicle speed
 - vii.) Vehicle fuel usage (gasoline or diesel) annual total
 - e) Fugitive dust control for haul roads and general plant area:
 - i.) Hours of operation of water trucks
 - ii.) Application schedule for chemical dust suppressant, if applicable.
4. Kootenai shall document, by day, the production of the asphalt plant. Kootenai shall total, daily, the production from of the asphalt plant to verify compliance with the limitation in Section III.A.5 of the addendum. A written report of compliance verification shall be submitted to the Department annually. The report for the previous calendar year shall be submitted no later than March 15 and may be submitted along with the annual emission inventory (ARM 17.8.749).

Addendum 2 Analysis
Kootenai Paving and Construction Inc.
Permit #3099-02

I. Permitted Equipment

Kootenai Paving and Construction Inc. (Kootenai) operates a portable 1983 Aedco drum mix asphalt plant (maximum capacity 200 TPH) with an attached 1983 Barber Green Baghouse, a 1948 Diesel generator (250 KW), and associated equipment.

II. Process Description

At the start of the asphalt production process, aggregate and sand materials are loaded into a feeder. The appropriate amount of material is continuously conveyed from the feeder to the drum dryer. Within the drum dryer the aggregate is heated and mixed with a controlled amount of hot asphalt product to produce a specific grade of asphalt. After the mixing has occurred in the drum dryer, it is conveyed to an unheated storage silo and loaded into trucks for delivery to the site. A Barber Green Baghouse is used to control the particulate emissions from the drum dryer.

III. Permit History

On October 1, 2000, Kootenai was issued a permit for the operation of a portable 1983 Aedco drum mix asphalt plant (maximum capacity 200 TPH) with an attached 1983 Barber Green Baghouse, a 1948 Diesel generator (250 KW), and associated equipment. The facility was originally located at Section 34, Township 31 North, Range 31 West, in Lincoln County, Montana. Because Kootenai proposed operation at the above site at various times throughout the year, including during the winter months of October 1, 2000, through March 31, 2001, the operation of the plant required that site-specific conditions be established using SCREEN VIEW Modeling.

On July 27, 2001, Kootenai requested that Permit #3099-00 be modified and Addendum 1 be renewed to allow the permitted facility to operate at Section 34, Township 31 North, Range 31 West, in Lincoln County, Montana. Because this location is in or within 10 Km of the Libby PM-10 nonattainment area (NAA), SCREEN VIEW modeling was conducted to establish site specific conditions to demonstrate compliance with ambient standards.

IV. Current Permit Action

On January 19, 2006, the Department received notification that Kootenai Paving, LLC changed the corporate name to Kootenai. The current permit action will change the corporate name and update the permit to reflect current permit language and rule references used by the Department.

V. Applicable Rules and Regulations

The following are partial quotations of some applicable rules and regulations that apply to the facility. The complete rules are stated in the ARM and are available, upon request, from the Department. Upon request, the Department will provide references for locations of complete copies of all applicable rules and regulations or copies where appropriate.

ARM 17.8, Sub-Chapter 7 - Permit, Construction and Operation of Air Contaminant Sources, including, but not limited to:

A. ARM 17.8.749 Conditions for Issuance of Permit. This rule requires that the source demonstrate compliance with applicable rules and standards before a permit can be issued. Also, a permit may be issued with such conditions as are necessary to assure compliance with all applicable rules and standards. Kootenai demonstrated compliance with applicable rules and standards as required for permit issuance.

B. ARM 17.8.764 Administrative Amendment to Permit. An air quality permit may be

amended for changes in any applicable rules and standards adopted by the Board of Environmental Review (Board) or changed conditions of operation at a source or stack that do not result in an increase of emissions as a result of those changed conditions. The owner or operator of a facility may not increase the facility's emissions beyond permit limits unless the increase meets the criteria in ARM 17.8.745 for a de minimis change not requiring a permit, or unless the owner or operator applies for and receives another permit in accordance with ARM 17.8.748, ARM 17.8.749, ARM 17.8.752, ARM 17.8.755, and ARM 17.8.756, and with all applicable requirements in ARM Title 17, Chapter 8, Subchapters 8, 9, and 10.

C. ARM 17.8.765 Transfer of Permit. An Air Quality Permit may be transferred from one location to another if:

1. Written notice of Intent to Transfer location and public notice is sent to the Department.
2. The source will operate in the new location for a period of less than 1-year.
3. The source will not have any significant impact on any nonattainment area or any Class I area.

Kootenai will have to submit proof of compliance with the transfer and public notice requirements when they transfer to the location covered by this Addendum and will only be allowed to stay in the new location for a period of less than 1 year. Also, the conditions and controls of this Addendum will keep Kootenai from having a significant impact on the Libby PM-10 nonattainment area, or any other nonattainment area covered by this permit.

VI. Emission Inventory - Addendum

Source	lb/day					
	PM	PM-10	NO _x	VOC	CO	SO _x
Asphalt Drum Mix Plant / with Baghouse	185.93	92.96	27.00	45.90	50.40	2.97
Cold Aggregate Handling	45.00	36.00				
Detroit Diesel Generator (250 KW)	17.70	17.70	249.43	19.87	53.75	16.49
Asphalt Heater			27.00	23.40	50.40	2.97
Pile Forming	7.56	3.60				
Haul Roads	15.00	6.75				
Total Emissions	271.19	157.01	303.43	89.17	154.55	22.43

* A complete emission inventory for Addendum 2 to Permit #3099-02 is on file with the Department.

VII. Existing Air Quality and Impacts

This permit is for a portable asphalt plant. In the view of the Department, the amount of controlled particulate emissions generated by this facility will not cause concentrations of PM-10 in the ambient air that exceed the set standard. In addition, this source is portable and any air quality impacts will be minimal.

VIII. Taking or Damaging Implication Analysis

As required by 2-10-101 through 105, MCA, the Department conducted a private property taking and damaging assessment and determined there are no taking or damaging implications.

IX. Environmental Assessment

This permitting action will not result in an increase of emissions from the facility and is considered an administrative action; therefore, an environmental assessment is not required.

Prepared by: Trista Glazier
Date: March 1, 2006